

U.S.-PERU SIGN A FREE TRADE AGREEMENT

Wednesday, April 12 2006

Washington, D.C. - Peruvian President Alejandro Toledo and Foreign Trade and Tourism Minister Alfredo Ferrero Diez Canseco today joined with U.S. Trade Representative Robert Portman in a signing ceremony in Washington. In January, the USTR notified Congress that it had completed negotiations on a bilateral trade agreement with Peru, triggering a 90-day waiting period before the deal could be signed. It will then await approval from the two nations' legislatures.

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Congressman Michaud has been an integral leader in the House of Representatives to push for fair trade agreements for workers and for our industries. Last year, he helped lead the fight in the House of Representatives in opposition to the Central American Free Trade Agreement (CAFTA), an agreement that passed the House of Representatives in July of 2005 by a 1 vote margin.

"Today, my office was on a conference call with Peruvian leaders to discuss the impact of this trade deal," Michaud said. "This agreement is far worse with respect to labor rights, intellectual property issues, and overall impact on the economy than CAFTA. It will be devastating to both our economies."

In a March 9th letter from Congressman Michaud to Peruvian President Alejandro Toledo Manrique, Congressman Michaud praised the President who has called "to incorporate the basic labor rights standards of the International Labor Organization in the text of the trade agreement." Unfortunately, the Bush Administration has chosen to ignore this request by the Peruvian President and many Members of Congress who are eager to support good trade agreements and concluded an agreement with Peru that excludes these vital provisions.

"It is absolutely imperative that we have these basic labor rights included in this negotiated agreement," Michaud said.

The U.S. State Department has indicated child labor remains a serious problem in Peru. An estimated 2.3 million children between the ages of 6 and 17 years old were engaged in work. Over 50 percent of Peruvians live in poverty, with almost 25 per cent living in extreme poverty. In recent years, there has been a significant increase in volume of production and increase of business in the area. However, workers' wages decreased and continue to do so.

"How can companies in Maine compete with Peru when our standards are so different? Excluding basic labor and human rights provisions come at a cost," Michaud said. "The cost of this Free Trade Agreement threatens economic sovereignty, human rights, and the ability to compete in a global marketplace. It's simply not a cost we or Peru can afford."

In addition, many Peruvians are already dying from treatable illness due to difficulties in accessing drugs. The US-Peru FTA could deprive millions more of essential drugs made unaffordable by stronger protection of patents.

"The Peruvian Minister estimates that the agreement will double the prices of medicine within 12 years. The Health Ministry in Peru predicts 700,000-900,000 citizens would lose health care coverage because of the Free Trade Agreement," Michaud reported.

"The impact of this Free Trade Agreement could lead to increased social unrest in Peru," Michaud said. "In fact, there is a legitimate fear that this will spur the production of illicit drugs for profit. With that production, comes drug trafficking, terrorism, and violence."

Due to the controversial nature of this agreement and opposition within Peru, a referendum outlining these concerns has been presented to the Peruvian Congress for consideration.

Michaud is working with several of his colleagues and interested organizations to defeat this trade agreement as written.

"In the days and weeks ahead, I will work tirelessly to rally a bi-partisan coalition of Members to oppose this agreement," Michaud said. "We are going to work hard to ensure this agreement doesn't see the light of day on the floor in Congress."

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